

2114
RECEIVED
LEGISLATIVE AUDITOR
2010 JAN 15 PM 2:08

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

FINANCIAL STATEMENTS
(Audited)

JUNE 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

1/27/10

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of Net Assets	5
Statement of Activities	6
FUND FINANCIAL STATEMENTS (FFS)	
Major Fund Description-General Fund	8
Balance Sheet – Governmental Fund	9
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets	10
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities	12
Statement of Fiduciary Net Assets	13
Notes to Basic Financial Statements	14-25
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund-Budgetary Comparison Schedule	27
OTHER SUPPLEMENTARY INFORMATION	
Fiduciary Funds-Combining Statement of Changes in Assets And Liabilities	29-30
COMPLIANCE AND INTERNAL CONTROL	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	32-34
Schedule of Audit Results, Findings, and Questioned Costs	35
Corrective Action Plan for Current Year Audit Findings	36
Summary Schedule of Prior Audit Findings	37

R. PERRY TEMPLETON

CERTIFIED PUBLIC ACCOUNTANT

(A PROFESSIONAL ACCOUNTING CORPORATION)

Phone 337/365-5546
Facsimile 337/365-5547
E-Mail: perry@ptempletoncpa.com

124 Washington Street
Suite A
New Iberia, Louisiana 70560-3765

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA CPA'S

INDEPENDENT AUDITOR'S REPORT

The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
Jeanerette City Court
Jeanerette, Louisiana

I have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) a component unit of the City of Jeanerette, Louisiana, as of and for the year ended June 30, 2009, which collectively comprise the City Court of Jeanerette's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City Court of Jeanerette's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) as of June 30, 2009, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
Jeanerette City Court
Jeanerette, Louisiana
Page 2

In accordance with *Government Auditing Standards*, I have also issued my report dated December 21, 2009, on my consideration of the Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing and internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The required supplementary information on page 27 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

The Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Third Ward Court's, Iberia Parish, Louisiana (Jeanerette City Court) basic financial statements. The other supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, I express no opinion on it.

A handwritten signature in black ink that reads "R. Perry Templeton". The signature is written in a cursive, flowing style.

New Iberia, Louisiana
December 21, 2009

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF NET ASSETS
June 30, 2009

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 184,968
Due from Bond Fund	216
Non Current Assets:	
Capital Assets, Net	<u>28,158</u>
Total Assets	<u>\$ 213,342</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 1,552
Due to Jeanerette City Marshal	<u>6,734</u>
Total Liabilities	<u>8,286</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	\$ 28,158
Unrestricted	<u>176,898</u>
Total Net Assets	<u>\$ 205,056</u>

The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF ACTIVITIES
Year Ended June 30, 2009

Governmental Activities

Expenditures:

Judiciary

Payments to City of Jeanerette	\$107,307
Payments to Jeanerette City Marshal	24,682
Salaries	64,190
Judge's Salary	58,258
Office Supplies & Printing	9,221
Legal & Accounting Costs	2,800
Judge & Employees Retirement and Benefits	34,090
Other Miscellaneous Costs	19,295
Outside Services	13,896
Depreciation	7,089
Utilities and Telephones	<u>4,102</u>
Total Expenditures	<u>\$344,930</u>

Program Revenues

Revenues:

Fees, Charges and Commissions – Court Costs, Fees, and Fines	<u>203,291</u>
---	----------------

Excess (Deficiency) of Revenues over Expenditures – Governmental Activities	<u>(141,639)</u>
--	------------------

General Revenue

Intergovernmental

On Behalf Payments	<u>156,538</u>
--------------------	----------------

Excess (Deficiency) of Revenues over Expenditures	14,899
---	--------

Net Assets, Beginning of Year	<u>\$190,157</u>
-------------------------------	------------------

Net Assets, End of Year	<u>\$205,056</u>
-------------------------	------------------

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTION

General Fund

The general fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

BALANCE SHEET – GOVERNMENTAL FUND
June 30, 2009

	<u>General Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 184,968
Due from Bond Fund	<u>216</u>
Total Asset	<u>\$ 185,184</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts Payable	\$ 1,552
Due to Jeanerette City Marshal	<u>6,734</u>
Total Liabilities	<u>8,286</u>
Fund Balances:	
Unreserved – Undesignated	<u>176,898</u>
Total Liabilities and Fund Balance	<u>\$ 185,184</u>

The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF
NET ASSETS
June 30, 2009

Total Fund Balance for the Governmental Fund at June 30, 2009		\$176,898
Cost of Capital Assets at June 30, 2008	\$74,381	
Less: Accumulated Depreciation	<u>(46,223)</u>	
		<u>28,158</u>
Total Net Assets of Governmental Activities at June 30, 2009		<u>\$205,056</u>

The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
Year Ended June 30, 2009

	<u>General Fund</u>
Revenues:	
Fees, Charges and Commissions –	
Fees and Fines	\$203,291
Intergovernmental	
On Behalf Payment	<u>156,538</u>
Total Revenues	<u>359,829</u>
Expenditures:	
Current-	
General Government –	
Payments to City of Jeanerette	107,307
Payment to Jeanerette City Marshal	24,682
Salaries	64,190
Judge's Salary	58,258
Office Supplies & Printing	9,221
Legal & Accounting Costs	2,800
Judge & Employees Retirement and Benefits	34,090
Other Miscellaneous Costs	19,295
Outside Services	13,896
Utilities and Telephone	4,102
Capital Outlay	<u>1,608</u>
Total Expenditures	<u>339,449</u>
Excess (Deficiency) of Revenues Over Expenditures	20,380
Fund Balance, Beginning of Year	<u>\$ 156,518</u>
Fund Balance, End of Year	<u>\$ 176,898</u>

The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUND TO THE STATEMENT
OF ACTIVITIES

For the Year Ended June 30, 2009

Total Net Change in Fund Balance for the Year Ended June 30, 2009 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 20,380
Less: Depreciation Expense for Year Ended June 30, 2009	(7,089)
Add: Capital Outlay for Year Ended June 30, 2009	<u>1,608</u>
Total Change in Net Assets for the Year Ended June 30, 2009 per Statement of Activities	<u>\$ 14,899</u>

The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2009

	<u>Fines Agency Fund</u>	<u>Civil Court Fund</u>	<u>Bond Fund</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 10,995	\$ 48,668	\$ 59,663
Total Assets	<u>\$ -</u>	<u>\$ 10,995</u>	<u>\$ 48,668</u>	<u>\$ 59,663</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 216	\$ 216
Held for Other Pending Court Action	<u>\$ -</u>	<u>\$ 10,995</u>	<u>\$ 48,452</u>	<u>\$ 59,447</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 10,995</u>	<u>\$ 48,668</u>	<u>\$ 59,663</u>

The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS

INTRODUCTION

The Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) was created under Louisiana Revised Statute 13:1872 as a political subdivision of the State of Louisiana. The Court operates under the control of the City Judge, an elected Official serving a term of six years. The population of the third ward is approximately 7,000. The court and its staff of 3 employees handle approximately 150 civil cases a year plus misdemeanor, criminal offenses, and traffic violations within the city of Jeanerette.

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

As the governing authority of the City, for reporting purposes, the City of Jeanerette is the financial reporting entity. The financial reporting entity consists of the primary government (City), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City of Jeanerette for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity are financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria include:

1. Appointing a voting majority of an organization's governing body, and
2. The ability of the City to impose its will on that organization and/or
3. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
4. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.
5. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

Because the City provides the City Court of Jeanerette with office space and pays the salaries and benefits of Court employees, the Court was determined to be a component unit of the City of Jeanerette, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Court and do not present information on the City, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

The accompanying basic financial statements of the Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, Basic Financial Statements-and Management's Discussion and Analysis – for State and Local Governments, issued in June 1999.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Court as a whole. These statements include all the financial activities of the Court. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

The statement of activities presents a comparison between direct expenses and program revenues for the Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) court costs, fees, and fines paid by the recipients of services offered by the Court, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

Fund-Financial Statements (FFS)

The Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The General Fund of the Court is considered to be a major fund. The funds of the Court are described below:

Governmental Funds –

General Fund – This fund is the primary operating fund of the Court and it accounts for the operations of the Court's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Court's policy.

Fiduciary Funds –

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Court are agency funds. The agency funds account for assets held by the Court as an agent for litigants in civil suits, cash bonds for criminal proceedings, and fees held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting. The agency funds are as follows:

Fines Agency Fund – accounts for the receipt and disbursement of bonds, fines, and costs from criminal proceedings to the appropriate governmental entity.

Civil Court Fund – accounts for advance deposits in civil suits and the receipt and disbursement of civil docket fees, small claims fees, and garnishments.

Bond Fund – accounts for the collection of bonds.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded with the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of a period.
- b. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected with 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

D. Assets, Liabilities, and Equity

Cash and Interest-Bearing Deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Court.

The Court has established the policy of including all short-term, highly liquid investments with maturities of 90 or fewer days in cash and cash equivalents. Under state law, the Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. See Note (3) for other GASB No. 3 disclosures.

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 or fewer days, they are classified as cash equivalents.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. The Court maintains a threshold level of \$500 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Office furniture	7 years
Equipment	5 years

Restricted Net Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. Externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; and
2. Imposed by law through constitutional provisions or enabling legislation.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. Revenues and fees, charges and commissions for services are recorded when the Court is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenue when earned. Substantially all other revenues are recorded when received.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the funds financial statements, expenditures are classified as follows:

Government Funds – By Character

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

G. Vacation and Sick Leave

Vacation is recorded as an expenditure of the period in which paid. It must be taken in the year accrued and cannot be carried over. There is no provision for sick leave at this time. Any liability the City Court of Jeanerette, Louisiana might have in this regard is considered immaterial; therefore, no liability has been recorded in the accounts.

(2) Cash and Interest-Bearing Deposits

Under state law, the Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Court may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2009, the Court has cash and cash equivalents (book balances) totaling \$244,631 as follows:

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Total</u>
Monies on Hand	\$ 23,983	-	\$ 23,983
Demand Deposits	<u>160,985</u>	<u>59,663</u>	<u>220,648</u>
Total	<u>\$ 184,968</u>	<u>\$ 59,663</u>	<u>\$ 244,631</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2009, totaled \$280,153 and are secured from risk by \$250,000 of federal deposit insurance and \$30,153 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3)..

Custodial credit risk is the risk that in the event of a bank failure, the Court's deposits will not be returned to it. As of June 30, 2009, \$30,153 in collateral held by the custodial bank's trust department not in the Court's name was exposed to custodial credit risk. However, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Court that the fiscal agent has failed to pay deposited funds upon demand.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

(3) Capital Assets

Capital asset activity for the year ended June 30, 2009 is as follows:

	<u>Balance 7/1/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2009</u>
Governmental Activities:				
Furniture, Fixtures and Equipment	\$ 72,773	\$ 1,608	\$ -	\$ 74,381
Less: Accumulated Depreciation	<u>(39,134)</u>	<u>(7,089)</u>	<u>-</u>	<u>(46,223)</u>
Net Capital Assets	<u>\$ 33,639</u>	<u>\$ (5,481)</u>	<u>\$ -</u>	<u>\$ 28,158</u>

Depreciation expense of \$7,089 was charged to the general government function.

(4) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	<u>Fines Agency Fund</u>	<u>Civil Court Fund</u>	<u>Bond Fund</u>	<u>Total</u>
Beginning Balance, July 1, 2008	\$ -	\$ 16,106	\$ 23,120	\$ 39,226
Additions	298,738	16,475	42,000	357,213
Reductions	<u>(298,738)</u>	<u>(21,586)</u>	<u>(16,452)</u>	<u>(336,776)</u>
Ending Balance, June 30, 2009	<u>\$ -</u>	<u>\$ 10,854</u>	<u>\$ 48,668</u>	<u>\$ 59,663</u>

(5) On Behalf Payments for Salaries and Benefits

The Court follows GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance". This standard requires the Court to report in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana to the City Court Judge and salary and fringe benefits payments made by the City of Jeanerette to the Judge and the Court's employees.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

Supplementary salary payments are made by the State directly to the City Court Judge and from the City to the Judge and the Court's employees. The Court is not legally responsible for these salary supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State and the City. For the fiscal year ended June 30, 2009 the State and City paid \$77,350 in supplemental salary and benefits payments to the City Court Judge and the City made supplementary salary and benefit payments of \$79,458 to the City Court's employees.

(6) Pension Plan

Plan Description

Louisiana State Employees' Retirement System. The Jeanerette City Court Judge is a member of the Louisiana State Employees' Retirement System, a cost-sharing, single-employer defined benefit pension plan administered by a separate board of trustees.

Eligibility Requirements

All state employees except certain classes of employees specifically excluded by Statute become members of the System as a condition of employment unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS.

Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by Statute and vary depending on the member's employer and job classification. The substantial majority of members may retire with full benefits at ages ranging from any age upon completing thirty years of creditable service, to age sixty upon completing ten years of creditable service. Members may choose to retire with 20 years of service at any age, with an actuarial reduced benefit.

The basic annual retirement benefit for substantially all members is equal to 2-1/2% of average compensation multiplied by the number of years of creditable service plus \$300. Participants who became members of LASERS on or after July 1, 1986, are not eligible for the \$300 addition to the annual retirement benefit formula. Average compensation is defined as the member's average annual earned compensation for the highest thirty-six consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or certain specified dollar amounts of

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the above basic retirement benefit, a member may elect to receive his retirement benefits under any one of four different options providing for a reduced retirement benefit payable throughout his life with certain benefits being paid to his designated beneficiary after his death.

A member leaving employment before attaining minimum retirement age but after completing certain minimum service requirements becomes eligible for a benefit provided the member lives to the minimum service retirement age and does not withdraw his accumulated contributions. The minimum service requirements for benefits vary depending upon the member's employer and service classification.

Member Contributions

Member contribution rates for the System are established by Louisiana Revised Statute 11:62. Employee member contributions are deducted from their salary and remitted to the System by participating employers. For the year ended June 30, 2009 the Judge's contribution rate was 11.5%.

Employer Contributions

Each employer is required to contribute a percentage of each employee's earned compensation to finance participation of its employees in LASERS. The employer's contribution rate is established under Louisiana Revised Statutes 11:101-11:104 and annually by the Actuarial Forecasting Committee. For the year ending June 30, 2009 the City Court's contribution rate was 18.5%

All other City Court employees are members of the Municipal Employees Retirement System.

Municipal Employees' Retirement System. All permanent City employees who work at least 35 hours a week, not participating in another public funded retirement system and are under 60 years of age are members of the plan. Members of the plan may retire with thirty years of creditable service regardless of age, with twenty-five years of service at age 55, and with 10 years of service at age 60. The retirement allowance is equal to 3% of the member's final compensation multiplied by his years of creditable service, with certain provisions made for those employees who were members of the supplemental plan only prior to its revision date. Their retirement allowance may not exceed the greater of 100% of a member's final salary or compensation. The system also provides disability and survivor benefits. Benefits are established by the State statute.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

State statute requires covered employees to contribute 9.25% of their earnings to the plan. The Jeanerette City Court contributes a percentage to the plan as employer only of the portion of compensation the employees receive from the Jeanerette City Court. For the year ending June 30, 2009 the City Court's portion was 13.5%

Although contributions are determined by State statute rather than actuarial calculations, actuarially required contributions are determined for the System, but not separately for the Jeanerette City Court.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligation for individual employers.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 2009 comprehensive annual financial report. The Jeanerette City Court does not guarantee the benefits granted by the System.

(7) Pending Litigation

At June 30, 2009 the Court was not involved in any litigation.

(8) Other Postretirement Benefits

The Jeanerette City Court provides no postretirement benefits.

(9) Risk Management

Potential significant losses are covered by the City of Jeanerette's commercial insurances.

REQUIRED SUPPLEMENTARY INFORMATION

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENT FUNDS
Year Ended June 30, 2009

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees, Charges and Commissions -				
Fees and Fines	\$ 267,300	\$ 267,300	\$ 203,291	\$ (64,009)
Intergovernmental				
On Behalf Payments	<u>257,791</u>	<u>257,791</u>	<u>156,538</u>	<u>(101,253)</u>
Total Revenues	<u>525,091</u>	<u>525,091</u>	<u>359,829</u>	<u>(165,262)</u>
Expenditures:				
Current –				
General Government:				
Payments to City of Jeanerette	152,567	152,567	107,307	45,260
Payments to Jeanerette City				
Marshal	60,000	60,000	24,682	35,318
Salaries	74,759	74,759	64,190	10,569
Judge's Salary	116,006	116,006	58,258	57,748
Office Supplies & Printing	6,845	6,845	9,221	(2,376)
Legal & Accounting Costs	2,800	2,800	2,800	-
Judge & Employees Retirement				
And Benefits	67,026	67,026	34,090	32,936
Other Miscellaneous Costs	17,199	17,199	19,295	(2,096)
Outside Services	17,465	17,465	13,896	3,569
Utilities and Telephone	3,585	3,585	4,102	(517)
Capital Outlay	<u>5,000</u>	<u>5,000</u>	<u>1,608</u>	<u>3,392</u>
Total Expenditures	<u>523,252</u>	<u>523,252</u>	<u>339,449</u>	<u>183,803</u>
Excess (Deficiency) of				
Revenues Over				
Expenditures	1,839	1,839	20,380	18,541
Fund Balance, Beginning of Year	<u>156,518</u>	<u>156,518</u>	<u>156,518</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 158,357</u>	<u>\$ 158,357</u>	<u>\$ 176,898</u>	<u>\$ 18,541</u>

The accompanying notes are an integral part of the basic financial statements.

OTHER SUPPLEMENTARY INFORMATION

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 2009

	<u>Fines Agency Fund</u>	<u>Civil Court Fund</u>	<u>Bond Fund</u>	<u>Total</u>
ASSETS				
Balances, Beginning of Year as Previously Reported	\$ -	\$ 16,106	\$ 23,120	\$ 39,226
Additions:				
Deposits -				
Bonds	-	-	42,000	42,000
Civil Suits	-	16,475	-	16,475
Fines and Court Costs	298,738	-	-	298,738
Total Additions	<u>\$ 298,738</u>	<u>\$ 16,475</u>	<u>\$ 42,000</u>	<u>\$ 357,213</u>
Total				
Reductions:				
Deposits Settled to:				
City Court of Jeanerette				
Court Fees Transferred to				
the General Fund	168,702	3,583	-	172,285
City of Jeanerette	25,225	-	-	25,225
Judges Support				
Compensation Fees	-	6,972	-	6,972
Marshal's Fees	37,086	1,541	-	38,627
Other	67,725	5,696	-	73,421
Refunds	-	3,794	16,452	20,246
Total Reductions	<u>\$ 298,738</u>	<u>\$ 21,586</u>	<u>\$ 16,452</u>	<u>\$ 336,776</u>

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 2009

	<u>Fines Agency Fund</u>	<u>Civil Court Fund</u>	<u>Bond Fund</u>	<u>Total</u>
Balances, End of Year	\$ -	\$ 10,995	\$ 48,668	\$ 59,663
LIABILITIES				
Due to Litigants and Others, Beginning of Year	-	16,106	23,120	39,226
Additions	298,738	16,476	42,000	357,214
Reductions	<u>(298,738)</u>	<u>(21,586)</u>	<u>(16,452)</u>	<u>(327,776)</u>
Due to Litigants and Others, End of Year	<u>\$ -</u>	<u>\$ 10,995</u>	<u>\$ 48,668</u>	<u>\$ 59,663</u>

**COMPLIANCE
AND
INTERNAL CONTROL**

R. PERRY TEMPLETON
CERTIFIED PUBLIC ACCOUNTANT
(A PROFESSIONAL ACCOUNTING CORPORATION)

Phone 337/365-5546
Facsimile 337/365-5547
E-Mail: perry@ptempletoncpa.com

124 Washington Street
Suite A
New Iberia, Louisiana 70560-3765

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA CPA'S

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
Jeanerette City Court
Jeanerette, Louisiana

I have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court), a component unit of the City of Jeanerette, as of and for the year ended June 30, 2009, which collectively comprise the Third Ward Court's, Iberia Parish, Louisiana (Jeanerette City Court) basic financial statements and have issued my report thereon dated December 21, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Third Ward Court's, Iberia Parish, Louisiana (Jeanerette City Court) internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Third Ward Court's, Iberia Parish Louisiana (Jeanerette City Court) internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Third Ward Court's, Iberia Parish Louisiana (Jeanerette City Court) internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Third Ward Court's, Iberia Parish, Louisiana (Jeanerette City Court) ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Third Ward Court's, Iberia Parish, Louisiana (Jeanerette City Court) financial statements that is more than inconsequential will not be prevented or detected by the Third Ward Court's, Iberia Parish, Louisiana (Jeanerette City Court) internal control. I consider the deficiencies described as item 2009-1 in the accompanying schedule of current year audit findings and management's corrective action plan to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Third Ward Court's, Iberia Parish, Louisiana (Jeanerette City Court) internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I consider item 2009-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Third Ward Court's, Iberia Parish, Louisiana (Jeanerette City Court) financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described as item 2009-2 in the accompanying schedule of current year audit findings.

The Third Ward Court's, Iberia Parish, Louisiana (Jeanerette City Court) response to the findings identified in my audit is described in the accompanying schedule of prior and current year audit findings and management's corrective action plan. I did not audit the Thirds Ward Court's, Iberia Parish, Louisiana (Jeanerette City Court) response, and, accordingly, I express no opinion on it.

The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
Jeanerette City Court
Jeanerette, Louisiana
Page 3

This report is intended solely for the information and use of management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under the provisions of Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

R. Perry Templeton

New Iberia, Louisiana
December 21, 2009

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

Schedule of Audit Results, Findings, and Questioned Costs
For the Year Ended June 30, 2009

Section I – Summary of Auditors' Results

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Noncompliance material to financial statements noted? X yes no

Section II – Summary of Current Year Audit Findings

See Attached

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

Corrective Action Plan for
Current Year Audit Findings
For the Year Ended June 30, 2009

<u>Ref. No.</u>	<u>Description Of Finding</u>	<u>Corrective Action Planned</u>	<u>Names of Contact Persons</u>	<u>Anticipated Completion Date</u>
Section I – Internal Control and Compliance Material to the Financial Statements				
2009-1	An inadequate segregation of duties exists with respect to cash transactions that result in inadequate control over cash receipts and disbursements. Due to the limited number of personnel, an adequate segregation of duties may not be achievable and the cost of correcting the weakness would exceed the benefits derived.	The court has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.	Honorable Cameron Simmons	Present
Section II – Compliance and Other Matters				
2009-2	Louisiana state law requires that the budget be amended if actual revenues are less than budgeted revenues by 5% or more and/or actual expenditures exceed budgeted expenditures by 5% or more. For the year ended June 30, 2009, actual revenues were less than budgeted revenues by more than 5% and the budget was not amended.	The court will institute procedures to ensure the budget is amended when required.	Honorable Cameron Simmons	Present
Section III – Management Letter				
None				

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2009

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description Of Finding</u>	<u>Corrective Action Taken (Yes, No, Partial)</u>	<u>Planned Corrective Actual/Partial Corrective Action Taken</u>
Section I – Internal Control and Compliance Material to the Financial Statements				
2008-1	2005	An inadequate segregation of duties exist with respect to cash transactions that result in inadequate control over cash receipts and disbursements. Due to the limited number of personnel, An adequate segregation of duties may not be achievable and the cost of correcting the weakness would exceed the benefits derived	No. The Court has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.	None

Section II – Management Letter

None